

AB 617, BARCT, RECLAIM, and New Source Review



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RECLAIM → Command & Control

Implications for New Source Review

- BACT/LAER: no change
- NO₂ Modeling: not CAA requirement
 - Reg 13 = model any increase
 - RECLAIM = model increase over original allocation
- Offsets
 - RECLAIM = 1-to-1 RTCs
 - Reg 13 = 1.2-to-1 ERCs [CAA requirement]



RECLAIM Transition

"New sources" entering RECLAIM after start

#1 – Those with infinite stream of RTCs

#2 – Those buying RTCs year by year

How/who to make up offsets for category 2?

- Internal bank/Rule 1315
- RTCs beyond those needed to offset emissions
- Mobile source credits
- ERC Market



Establishing Potential to Emit for Post RECLAIM Sources

- Purpose – know when NSR event occurs
- Must PTE be assigned upon leaving or only upon proposing physical change or change in permit limits?
- Establish PTE based on allocations or RTCs at departure from RECLAIM?



Offset Sources: Pros and Cons

- ERCs
 - Pro: EPA Approved
 - Con: Pressure on limited supply

- Internal bank
 - Pro: EPA Approved; possible mitigation fee
 - Con: CEQA Cap/Additional CEQA



Offset Sources: Pros and Cons (cont'd)

- RTCs
 - Pro: Ready supply (cap minus emissions)
 - Con: Individual v. Programmatic demonstration
- Mobile source credits
 - Pro: Plentiful; contemporaneous reductions
 - Con: EPA approval difficult



Potential Approaches

- Keep Rule 2005 temporarily in effect for sources not choosing early exit
- Explore mobile source credits
 - Pro: real, contemporaneous emission reductions
 - Con: little EPA precedent – “permanence” issue
- Allow all sources to use ERCs
- Explore Internal Bank/RTC approach – maybe programmatic equivalency



Summary

- No one answer for all: portfolio approach
- Potential to address mobile source emissions
- Transitional mechanisms may be needed

Questions/Comments?